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SEPTEMBER 12, 1946

Town Meeting



BULLETIN OF AMERICA'S TOWN MEETING OF THE AIR

BROADCAST BY STATIONS OF THE AMERICAN BROADCASTING CO.



Reg. U. S. Pat. Off.

Should Commercial Building Be Curtailed To Provide Homes for Veterans?

Moderator, GEORGE V. DENNY, JR.

Speakers

WILSON WYATT

PETER GRIMM

Interrogators

H. V. KALTENBORN

QUINCY HOWE

(See also page 12)

COMING

—September 19, 1946—

Are We Heading for War With Russia?

—September 26, 1946—

**Should There Be Any Limits on the
Right To Strike?**

Published by THE TOWN HALL, Inc., New York 18, N.Y.

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THE BROADCAST OF SEPTEMBER 12:

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BULLETIN OF AMERICA'S TOWN MEETING OF THE AIR

GEORGE V. DENNY, JR., MODERATOR



SEPTEMBER 12, 1946

VOLUME 12, No. 20

Should Commercial Building Be Curtailed To Provide Home for Veterans?

Announcer:

From Town Hall in New York City we bring you another important session of America's Town Meeting of the Air on one of the Nation's most urgent national problems—how to get homes for veterans. Back in his accustomed place is the founder and moderator of America's Town Meeting and president of Town Hall in New York, Mr. George V. Denny, Jr. Mr. Denny. (*Applause.*)

Moderator Denny:

Good evening, neighbors. Let me hasten to assure you that every person on this program—yes, every person in this hall and I am sure nearly everyone within the sound of my voice—is eager and anxious to find the best way possible to provide homes for veterans.

Our National Housing Expediter and Administrator, Mr. Wilson W. Wyatt, has set a tremendous goal for the construction

of these homes for this year and next. He's been given extensive powers by the Congress to achieve these goals. Mr. Peter Grimm, chairman of the Board of William A. White and Sons and former assistant to the Secretary of the Treasury, in charge of co-ordination of government housing and mortgage activities, is as deeply concerned as Mr. Wyatt that the veterans shall have homes. But he's convinced that the particular phase of the problem we are discussing tonight, namely, the curtailment of commercial building will not accomplish this purpose.

Both Mr. Wyatt and Mr. Grimm have had extensive experience in this field and they are both going to add greatly to our understanding of this difficult problem through tonight's discussion.

Our special interrogators, Mr. H. V. Kaltenborn and Mr. Quincy Howe, will be the first to question

our experts. Then we'll have the usual questions from this representative Town Hall audience, more than 70 per cent of whom are attending Town Meeting for the first time.

Now it's my great pleasure to present our National Housing Expediter and Administrator, Mr. Wilson W. Wyatt, formerly of Louisville, Kentucky, now of Washington, D. C. Mr. Wyatt. (Applause.)

Mr. Wyatt:

Mr. Denny, if actions speak louder than words, and I suppose the radio broadcast is one of the times when they don't, my answer as to whether commercial construction should be curtailed to get veterans housing is very much on record already. It is "YES!" in capital letters, underlined and followed by an exclamation point.

I think all nonhousing that is not 100 per cent necessary at the present time should be postponed so that this country can build more homes and more apartments for veterans. That is why, since I have been the President's housing expediter, nonhousing building has been cut down three separate time.

To me the issue is this: Which should come first, homes for veterans or commercial and industrial construction? We can't build both and get enough housing.

We can't eat our cake and have it, too. There just aren't enough

building materials. We discovered that all too painfully last fall when wartime construction controls were removed. Commercial builders got plenty of materials and home builders got the leftovers. The leftovers weren't enough to lick the housing emergency.

That's why we have to face the question: Which comes first, homes for veterans or commercial buildings? I have heard the same question rephrased into a variety of "Have you stopped beating your wife?" inquiries. Which should come first, juke joints and race tracks or homes for veterans?

The question stated that way misses the big issue. If we're going to pay off our housing debt to veterans, we have to give up not only juke joints—that's easy—but also new stores and factories and even schools and hospitals that can be postponed until veterans are housed. That's the only way we can get enough homes for veterans now.

That may sound like strong talk. The cuts we have made in commercial building were strong actions, but remember this: the housing shortage today is an emergency. It's a whale of a big emergency. You don't lick big emergencies by little plans or timid actions. You lick an emergency by emergency action—strong, decisive, drastic action.

That's why the Government will

permit only absolutely essential, nonhousing construction. What does that fancy phrase "absolutely essential" mean in terms of your home town?

It means this: schools and hospitals and the other facilities needed for new neighborhoods built under the emergency housing program. They will be permitted. Factories for building materials will get an O.K. Food plants will get the green light. The small amount of other building that's absolutely necessary to the economy at this time and can't possibly be deferred will also get the go-signal. But that's all.

Now some people ask, "Why should the veteran be entitled to special steps to put his home ahead of commercial construction or even ahead of homes for nonveterans?" Is the veteran really being put ahead of anybody? Suppose we take an example. Pvt. Smith lived in a rented apartment with his wife and child before the war. But after he went into the service his wife and child had to go back to live with her folks. They couldn't afford the apartment on Private Smith's \$50 a month.

Well, eventually Private Smith became Ex-Private Smith. He returned to his old job, and picked up his life where he left it in 1942, except for one very important thing. He couldn't get his old apartment back. He couldn't find another one. So he's living in a

furnished room in Springfield, and his wife and child are with her folks in Columbus.

Now, Mr. Jones who lived upstairs over ex-Private Smith in the old apartment was too old for the Army. He stayed in the same place all during the war and he's still living there.

Now it seems to me that the country isn't putting ex-Private Smith ahead of Mr. Jones when it gives the ex-soldier a first crack at new housing. It's just giving Smith and the other veterans a chance to catch up with Mr. Jones and the rest of the country.

Some people wonder why such sharp curtailment of commercial building has been necessary just to give veterans an even break on housing. How, they ask, did the country ever manage to get itself so squarely behind the housing eight ball?

Well, for more than a decade, the net number of new families formed in this country has been larger than the number of new homes added to the housing supply. The housing supply has fallen far below the housing needs.

Soon after Japan surrendered, more men were leaving the services in one month than the largest number of homes America ever built in one year.

And remember this: While this demobilization was going on, most of the building experts were saying that at best not more than

500,000 homes could be started this year. Small wonder we had a housing emergency and small hope, if the experts were right, of ending it for a long time.

Well, the Government had more faith than the experts. It believed that the country could roll up its sleeves and build more houses than ever before. It believed that the country wanted to give up the other buildings that it didn't need as much as veterans needed homes.

That was the Government's program—all-out production of building materials and a sharp cut in nonhousing building. President Truman put this program into effect on February 8.

The results have been good. In the first seven months of this year, 607,000 homes and apartments were put under construction and 287,000 were completed. These were good results but they were not complete success. Too many other homes were standing unfinished, because of lack of a few critical building materials. So the first of this month the Government ordered large amounts of building materials—100 per cent in the case of scarce, hardwood flooring—held for veterans' housing only.

At the same time the government ordered another cut in commercial building. Both steps are getting material for veterans' homes, for homes that must be finished this winter, in order to

house returning veterans and to enable them to return to normal life.

Now I will not exactly be surprised if Mr. Grimm says something about these cuts in commercial construction damaging the rest of the economy. If he does, it will not be the first time I've heard that argument.

After V-J Day, there was a hue and cry to remove wartime construction controls. It was said the step was necessary to prevent reconversion unemployment. The controls were removed, but it was necessary to restore them last March. Commercial building was cut down. There have been two more cuts since March.

What of the current employment figures? This summer found 58,000,000 Americans working—the highest number in the Nation's history. Does that sound like the economy had been damaged?

In August, the volume of all new construction reached the highest monthly rate since November of 1942, despite the cuts in commercial building. The nonresidential building cuts did show this result last month: dollar volume of home building finally forged ahead of nonhousing building by a good margin.

These hard facts would seem to answer the theoretical objections of those who have predicted serious trouble every time that com-

mercial building has been curtailed.

These facts would seem to put our gloomy critics pretty much in the position of the boy who cried "Wolf." But our wolf story is going to have a different ending. This time, the wolf isn't going to eat the boy. We're going to get homes for veterans and we're going to continue to have a healthy economy. (*Applause.*)

Moderator Denny:

Thank you, Mr. Wyatt. Now, let's have the views of another expert—a man who spent a good part of his life in this field—the Chairman of the Board of William A. White and Sons of this city and former assistant to the Secretary of the Treasury, in charge of co-ordination of government housing and mortgage activities. Mr. Peter Grimm. Mr. Grimm. (*Applause.*)

Mr. Grimm:

Mr. Denny and friends, I've not sat out in front at Town Hall without having learned that brick-bats are more usual on these occasions than bouquets. But I wish to hand a bouquet to Mr. Wyatt. It is refreshing and inspiring to find a man of his abilities and his talents in the Government. He deserves all the commendation we can give him. (*Applause.*) I give him mine most heartily, but he's going to be disappointed to find I say nothing about a broken-down economy. (*Laughter.*)

Some of my friends thought that I was rather foolhardy to take what they thought was the unpopular side of the question. I disagree and I disagree flatly. For anyone to think that I have the wrong side of this argument is to misunderstand the question.

Mr. Wyatt has said that the issue is "Which comes first, homes for veterans or commercial construction?" That is most certainly not the issue.

The problem is how to get the most homes for veterans in the shortest time and the issue is whether this can be accomplished by curtailing commercial construction or permitting such construction. That's the question.

The issue is not clarified, it's clouded by reference to race tracks and juke joints. These are inconsequential irritants and I hold no brief for them. Let us fix our minds on stores, shops, offices, factories, and not be misled by race tracks and juke joints. The NHA is free to prohibit these and I'm sure it will.

It strikes me that there are, at the very least, two clear reasons why the NHA policy has not produced houses in sufficient quantity. The first is that prohibitions against any kind of needed constructions restrict and restrain all kinds of needed construction. Now, I'll expand that idea in a moment.

The second reason is that a con-

siderable part of nonhousing construction is required for new businesses and for the expansion of existing businesses and it's these upon which veterans depend for employment. A man needs a job to maintain a home.

On the first point, it is common knowledge that building is an industry requiring substantial capital investment and the assembly and organization of many skills. If we are to expect large production in that field, we must encourage large-scale investments, large-scale organizations for production. This will happen if the enterprise is free to meet many diversified demands. It will not happen and it cannot happen if its production is confined to a narrowly restricted kind and price of construction.

In many new commercial buildings, only a small portion of required material can be used for housing. But many manufacturers who make materials for housing also make materials that go into the commercial buildings. They depend upon commercial construction, not only for profit but also for maintenance of balanced organization. If you cut out commercial construction, they do not and will not produce either for commercial construction or for housing. That is precisely what is happening.

Now, within the limits of the housing field itself, the restriction defeats its own ends. NHA seeks

to get 1,200,000 homes built this year and 1,500,000 homes next year. Mr. Wyatt has just said that he has started 607,000 homes and completed 287,000 homes. Perhaps he will tell us that of this number 113,000 were begun in 1945, for which NHA should not claim credit, and that 72,000 in addition were quonset huts and trailers.

That record is much more meager than Mr. Wyatt suggests in his speech. A policy which produces so little housing must be wrong. I shall not press Mr. Wyatt too closely on his record to date, either as to quantity and particularly not as to quality. He has himself been sufficiently frank in indicating his fears.

Such success as has been accomplished is based in great part upon homes started and substantially finished before the NHA policy was laid down, and also upon the temporary structures. This source is rapidly drying up. Future goals require construction from the ground up. Reassembled quonset huts and trailers will not contribute substantially to the desired result.

Consider the 1947 goal of 1,500,000 homes. This is three times our best prewar product. You must see that this will require enormous expansion in engineering and architectural services, and in the planning and reorganization

and administration of business which does the building.

This expansion requires more and more space. There is no more space now available. It must be built.

In order to have new housing you must have new commercial construction, if only to provide for facilities essential to the construction of housing. NHA would prohibit this.

My point is that artificial restrictions upon production in any field, and most of all in the construction field, discourages the investment, the organization, and the activity required for an all-out policy. Only an all-out effort will reach the much desired goal.

If you remove restriction upon commercial construction and have a free market, demand will insure great production of homes, along with other badly needed buildings. If you don't remove the restrictions, you won't get the homes. We're not getting them now in sufficient quantity.

My second point is that homes are more than four walls and a roof. Unless it represents a measure of security, a family center, and a place where a man can enjoy life, it may be a shelter but it certainly is not a home. There is no security, no healthy family life, and no enjoyment where there is no job.

The greatest single obstacle to jobs for returned veterans is the

lack of space in which they can work. Who in all this audience has not heard of instances where the veteran, anxious and ready to start a little business, was prevented because he could not find a space for it; of the law office that cannot take on needed additional clerks and juniors for lack of space; of the manufacturer who is producing to the capacity of his present plant, but cannot build an addition to his plant which would provide employment for more employees?

When you crack down on all nonhousing construction, you crack down on the countless thousands of young men and women looking for jobs, which they could have if plants, offices, and stores could be built for them to work in.

General Omar Bradley, head of the Veterans' Administration, reported in late July of this year that there are over 1,750,000 veterans drawing unemployment allowances, while potential employers are right around the corner clamoring for the opportunity to expand and give them employment. NHA restrictions prohibit this, and that is why I think the policy is wrong.

New construction should not be limited to veteran housing: (1) because large scale production of veteran housing can only be accomplished by enormously increased production of all kinds; and, (2) because construction of

commercial and industrial buildings is necessary in order to enable veterans to live in the homes that are being built for them. (*Applause.*)

Moderator Denny:

Thank you, Mr. Grimm. Now, Mr. Kaltenborn, you and Mr. Howe have your work cut out for you tonight after these two statements, but as experienced analysts of all kinds of statements, including those of dictators and presidents, will you see if you can help us find any flaws in the logic of these gentlemen, or if you can bring out some new facts we might need. We'll start with Mr. Howe, tonight, and take the Dean later. Mr. Howe. (*Applause.*)

Mr. Howe: This is quite a spot that George Denny has put me on this evening. You see, Mr. Peter Grimm is the president of the real estate company to which I pay rent every month. (*Laughter.*) Yes, I pay it! He asked if I paid it. Now it may be the tenant's dream to cross-question his landlord over a nationwide hookup. (*Laughter.*) It may even be the tenant's dream just to cross-question his landlord, period. But in view of this present housing situation, I'm going to keep a very civil tongue in my head and treat Mr. Grimm with the respect he deserves.

Now, as a matter of fact, quite seriously, I know that no one on this platform wants to score de-

baters points or win arguments from anybody else. Mr. Kaltenborn and I are not here to express our views, as we did rather freely last week on the subject of Russia. I think just for the benefit of the radio audience that they ought to know Mr. Kaltenborn is sitting on the extreme left wing. (*Laughter.*) But, Mr. Kaltenborn and I are here only to ask questions, not to answer them.

Now, Mr. Wyatt made the point that a desperate situation requires desperate remedies. He has pointed out that private industry has never fully met the American people's need for housing. This made me wonder if the Government shouldn't move in on a still wider front. Is it enough just to curtail commercial construction and favor low-cost homes for veterans?

Mr. Wyatt, don't we need a better balanced building program that will benefit the veteran by wider planning that includes all his needs and the needs of the whole community?

Mr. Denny: Yes, well before you go on, Mr. Howe, let's give Mr. Wyatt a chance to answer that one.

Mr. Wyatt: Well, as a matter of fact, there is so much demand for the other types of building in the economy—what we classify as nonresidential including not only the commercial and industrial but also schools, hospitals, community facilities, and the rest—that there's

no need for any special protection for that section. It's quite the contrary. Without protecting home building—and by that I certainly include an apartment building—it would not be possible to get the residences for veterans. That's the type of economy that needs the help and the protection. The other certainly takes care of itself. In fact, that's the trouble.

Mr. Denny: Thank you. Mr. Howe? Oh, Mr. Grimm wants to comment on that.

Mr. Grimm: The suggestion was made that private enterprise is falling down on the job and that Government should come in. Now, I come in on that because I don't want Government to come in. I believe with Thomas Jefferson that that Government is best which governs least (*applause*) and I throw my mind back to the days after the last war—the previous war, First World War—and I remember that in five years, left free of restriction with no government intervention of any kind whatsoever, more houses were built than the people needed and you could write the buyer's terms on them and not depend on the seller to tell you what he would take for them. (*Applause.*)

Mr. Denny: Thank you, Mr. Grimm. Mr. Wyatt wants to get in on that one.

Mr. Wyatt: If we're going to hark back to Thomas Jefferson and the last war, let me say, in the

first place, I certainly agree with what was quoted from Thomas Jefferson. The only thing is I think it's not apt to the point we're talking about. He did believe in enough government in order to accomplish the results of government. In the second place, as to the last war, we were seven years achieving a volume of 937,000 homes a year. What we're trying to do this time is in one year, not seven, to achieve, not 937,000, but 1,200,000. (*Applause.*)

Mr. Denny: Mr. Grimm?

Mr. Grimm: Without intervention, from the years 1938 to 1941, we stepped up, in spite of the lack of a real market, we stepped up to 778,000 housing units, and anyone here in this audience will tell you we had far from a real estate market in 1940-41—with no intervention, no red lights along the trail, no don't do this and don't do that, but just build. (*Applause.*)

Mr. Denny: Mr. Howe, have you got another question there?

Mr. Howe: Yes, I'll have another one for Mr. Wyatt, I think. That is a question that is on a lot of people's minds: How serious a problem is the black market in various scarce building materials and what can the Government do to stamp it out?

Mr. Wyatt: Well, there are two things about the black market. In the first place, it is a serious problem, Mr. Howe. That's

THE SPEAKERS' COLUMN

WILSON WATKINS WYATT—Mr. Wyatt, National Housing Expediter and Administrator, was born in Louisville, Kentucky, in 1905. He attended the University of Louisville and received his law degree from Jefferson School of Law. He also has an honorary LL.D. from Knox College. In 1927, Mr. Wyatt began the practice of law in Louisville. In 1934, he was trial attorney for the city of Louisville, and from 1929 to 1935, he was a member of the law faculty of Jefferson School of Law.

From 1941 to 1945, Mr. Wyatt was Mayor of Louisville. In December, 1945, President Truman appointed him special expediter for housing in the Office of War Mobilization and Reconversion.

During the war, Mr. Wyatt was a special representative of the Board of Economic Warfare for North Africa. As chairman of the Louisville Metropolitan Area Defense Council, he was twice awarded the Citation of Merit. He has held numerous civic and political positions.

PETER GRIMM—Director of the Citizens Housing Council of New York City, Mr. Grimm is chairman of the Board of the Real Estate firm of William A. White & Son, and president of the New York State Chamber of Commerce. He is also a former assistant to the Secretary of the Treasury in charge of coordination on government housing ABD mortgage activities.

A native of New York City, Mr. Grimm has a B.S. degree from Columbia. Since 1911, he has been in the real estate business. In 1929, he became president and director of William A. White & Sons. Since 1944 he has been director and chairman of the Board.

Mr. Grimm is president of the New Weston Annex Corporation; vice president and director of Garden City Company; director of 812 Park Avenue Corporation; Paramount Broadway Corporation, Railroad Federal Savings & Loan Association, Dorothy Draper, Inc.; and the N. Y. Casualty Company.

In 1935, Mr. Grimm was special assistant to the Secretary of the Treasury. He served as a captain and a major in the Air Service of the Army during

World War I. He is a member of numerous organizations with civic interests.

HANS V. KALTENBORN—Dean of radio commentators, H. V. Kaltenborn made his first news broadcast in 1922. Born in Milwaukee, Wisconsin, Mr. Kaltenborn was graduated from Harvard in 1909 with an A.B. cum laude. Since then, he has received several honorary degrees. For twenty years, 1910-1930, he was associated with the Brooklyn *Eagle*. In 1930, he left the *Eagle* for WABC, key station for the Columbia network. Since 1940, he has been with the National Broadcasting Company. Mr. Kaltenborn has been radio reporter for many political conventions, League of Nations sessions, Pan American Peace Conferences, and the like. His honors and citations for meritorious radio reporting are too numerous to mention. He was awarded a gold plaque for the best foreign radio reporting covering the Spanish front in 1936, when he made possible the first radio transmission of artillery and machine-gun fire during actual combat. Mr. Kaltenborn is the author of several books and many magazine articles. Among his books are *We Look at the World, Kaltenborn Edits the News* and *I Broadcast the Crisis*. Mr. Kaltenborn, who has traveled widely, has a knowledge of several foreign languages including French, German, and Italian.

QUINCY HOWE—Mr. Howe, a radio news commentator since 1939, has been with the Columbia Broadcasting System since 1942. Born in Boston in 1900, he received his A.B. degree from Harvard in 1921. The following year he was a student at Christ's College, in Cambridge, England. From 1922 to 1928, he was with the Atlantic Monthly Company; from 1929 to 1935, he was editor of *Living Age*; and since 1935, he has been associated with Simon and Schuster, Inc.

In 1939, Mr. Howe became a news commentator on station WQXR in New York, and in 1942 joined CBS. Mr. Howe is the author of *World Diary* (1929-34), *England Expects Every Man To Do His Duty* (1937), *Blood Is Cheaper Than Water* (1939), and *The News and How To Understand It* (1940).

quite correct. There are two things that can be done, one is for the Government—and by that I mean not merely the Federal Government but the state govern-

ment and the city government as well—to do everything in its power, in the power of each of them, to stamp out the black market by policing it.

There's also a very important thing that every single one of 140 million Americans can do, and that is, through strong public opinion, simply not to tolerate it, for builders not to patronize it, for suppliers not to engage in it. It's a very simple thing for every law-abiding American, if he wants to, to do a tremendous job, and I'm sure every American does want to, in stamping it out. More can be done by that than by all the government policing in the world. *(Applause.)*

Mr. Denny: Thank you, Mr. Wyatt. Mr. Howe, are you going to square your chest here and just puff right up and ask Mr. Grimm a question?

Mr. Howe: Yes, I've been saving up my courage and I think I've got enough now to ask him what assurance he can give us that private industry will do the job in the 1940's in keeping up with the demand for private construction—the job it didn't do in the 1930's?

Mr. Grimm: Well, I first want to address myself to the proposition that it didn't do the job in the 1930's. He's evidently referring to the low volume of housing built between 1932 and 1939. Well, we all, who are old enough, bitterly remember those days. We just didn't have any money and the construction companies that stayed in the business slowly but surely died out—dried up. They

couldn't do the job in those days because there was no money and as soon as money and work was possible, beginning in 1938, the business stepped up. As I quoted a moment ago, by the time Pearl Harbor struck us late in 1941, we had already built, in a bad market, over 778,000 housing units which comes pretty nearly being the best ever built in any one year in this entire country. *(Applause.)*

Mr. Denny: The Dean here, Dean Kaltenborn, is getting awfully impatient so let's hear from H. V. Kaltenborn. *(Applause.)*

Mr. Kaltenborn: I should like to get back to the question of the black market because I'm told that's one of the most important aspects of this whole issue. Now I'm told by experts that 75 per cent of the building materials in many areas go into the black market. I've also been told by builders out on Long Island that they've had to stop building because they were unable to get materials except through the black market and the prices were so high that they didn't feel, in the first place, that they wanted to deal with the black market, and, in the second place, that if they did deal with it, that they could produce houses at a reasonable price.

Won't Mr. Wyatt say a word or two about that? It is true, as he said, that those two things that he suggests will help. But is that

enough? In a situation like this shouldn't there be more positive action and leadership against the black market?

Mr. Wyatt: Yes, there's a third and a very important thing, and probably the most important and the one that stamps it out soonest. That is the most dominant part in the government's program, and that is more production and more production and more production, because the greater the amount of production, the greater the supply is against demand and, therefore, the less the incentive for the black market.

In the meantime while it is moving up, even though it is moving up rapidly, the Government is doing all that it can, through the Department of Justice, the Treasury Department as to income tax violations, the OPA and the CPA, to police and exterminate the black market just as far as possible in an intensified drive that started two months ago.

Mr. Denny: Thank you. Mr. Grimm?

Mr. Grimm: I would like to suggest that you're bound to have a black market, it seems to me, whenever you have a great demand, and governmental restrictions keep down the supply. (*Applause.*)

Mr. Denny: Mr. Kaltenborn?

Mr. Kaltenborn: I should like to ask Mr. Grimm a further question with reference to those race

tracks and juke joints that we all deplore—deplore because this is no time to build them. How is he going to reconcile a completely free economy, for which he stands, with the ability to prevent the construction of race tracks and juke joints?

If you're going to open it up, don't you have to open it up for everything? And if you once start government regulations, don't you have to carry your regulations farther and farther as we have found in these consistent restrictions on nonresidential building?

Mr. Grimm: I think those are the kind of questions that F. D. R. used to call "iffy" questions. It seems to me that if we have an entirely free economy and if there is a considerable number of people that want juke joints and race tracks, why they are going to get them. The minute you begin to lay on your restrictions then you've got to tell me where the end of the road with respect to restrictions is.

Mr. Kaltenborn: One point with reference to quality. Mr. Grimm said he wasn't going to challenge Mr. Wyatt on quality. I think he ought to be challenged on quality. We hear an awful lot about the poor quality of some of the housing that's going up. We hear stories about green lumber. We hear stories about leaks. We hear stories about walls that collapse. It seems to me that, in trying to

make a quantity record, it's quite possible that some of Mr. Wyatt's assistants might overlook the failure to give quality. Unless you give a veteran a decent house, you'd better let him keep his money for something else. (*Applause.*)

Mr. Wyatt: Well, Mr. Grimm rather intrigued me when he said that he wanted to raise — but really not to raise—the question of quality. He wants completely free economy. He wants no government controls, but quite obviously he wants the Government to assure that the veteran will get quality, which can come only with controls. I agree with Mr. Grimm. The inference from that is that we must have them. We came to that realization. We put them into effect starting June 10. All housing authorized June 10 and after must have, in the hands of any operative builder, plans and specifications in advance and pass two inspections thereafter in order to show that it does come up to the quality as originally represented.

Mr. Denny: Thank you. Mr. Grimm.

Mr. Grimm: I don't think it's necessary to make it clear that I am in favor of Government, but I don't want too much Government. Having had considerable to do with the work of the installation of the Federal Housing Administration where we set up great con-

trols, all of which were to the benefit of the people and to the benefit of quality of construction in this country, and of mortgage procedure, that being the case I think my record is clear about what I want with respect to Government. I just want to make sure we don't have too much. And this is too much—NHA is too much. (*Laughter and applause.*)

Mr. Denny: Too much is too much. Now we have time for about one more question from Mr. Kaltenborn before we take the questions from the audience.

Mr. Kaltenborn: Well, I just hope that Mr. Wyatt will have the chance to bring up such issues as prefabricated houses which are an important part.

I'd like to hear him say something about those temporary houses that cost \$2400 and that are to be abandoned after three years. Is that economic?

I'd like to hear more talk about the restrictive labor union rules that prevent the putting in of apprentices; that prevent the development of an easier attitude towards restrictive practices.

I'd like to hear him talk about the ancient building codes that need to be revised.

Perhaps if we had those improvements we wouldn't need so much restriction on nonresidential building.

Mr. Denny: Thank you, Mr. Kaltenborn. You may have given

him more than he can handle in one mouthful but come on, Mr. Wyatt.

Mr. Wyatt: Well, taking them one at a time as I jotted them down. First, on the temporaries. We feel that temporaries are very important because of the fact that every single one of those is a rental unit. Every single one of those is a rental unit at a rent within the range of the pocketbook of the veteran, which is very important, for the most part between \$25 and \$35 a month. Except for those temporaries, the volume of rental housing this year would be all too inadequate. With regard to mass production of houses, the record thus far has not been outstanding, and perhaps that is an understatement of it, but we do have great confidence in what we know is now going forward. We know the companies that are working on it, companies of national consequence, that are getting ready to launch their work, but they are having their engineering to be done in advance. They are tooling up, and next year, 1947, will be the year that we will see very greatly improved volume of that new kind of housing that the Dean asked about.

With regard to building codes, we thoroughly agree. There are very few building codes in this country that are really modern. That is a matter of local government. We believe that it is a

matter, therefore, that only local government can take care of. Nevertheless, we're undertaking to do what we can by asking the mayors and the cities of the country with the housing problem—and that means the mayor of virtually every city in the United States—to appoint an emergency housing committee. More than 550 cities now have, appointed in the past three or four months, an emergency housing committee. One of the prime duties of each of these committees is the modernization of its building code. That work is going forward. We're doing what we can to work with them. It's a matter of local responsibility.

With regard to restrictive trade practices, which I believe was the last one that he mentioned, we're working with labor as to the productivity of labor. I think that the Dean will find that it's not so much a case of there being rules and regulations requiring restrictions in these various categories as it is a matter individual to the various communities and local there, but in many of them with the average age of the workmen in the skills rather advanced because of the fact that there have been so few apprentices in recent years. Nevertheless, apprentices are being recruited and trained at a larger rate at the present time than has occurred in the building industry for many years.

Mr. Denny: Thank you, Mr. Wyatt. We are making progress famously and adding a great deal to our knowledge and understanding but we're going to pause briefly now for station identification.

Announcer: You are listening to America's Town Meeting of the Air, originating in its home in Town Hall, New York. Our topic is "Should Commercial Building Be Curtailed To Provide Homes for Veterans?" Wilson Wyatt, Peter Grimm, Quincy Howe, and H. V. Kaltenborn have been having a spirited discussion on this topic

and now we're ready for questions from the audience.

If you would like a complete copy of this meeting, including the question period to follow, you may secure it by writing to Town Hall, New York 18, New York. Enclose 10 cents to cover the cost of printing and mailing. If you would like to have the *Bulletin* come to you regularly for an entire year, enclose \$4.50; for six months, enclose \$2.35 and for 11 weeks, one dollar. Be sure to print your name and address plainly, include your zone number and allow at least two weeks for delivery.

QUESTIONS, PLEASE!

Mr. Denny: Now, Mr. Kaltenborn and Mr. Howe have set a real pace for us in asking good, useful questions. We should have some real competition among the members of our audience here tonight, for our \$25 U. S. Savings Bond. Remember, if you ask a question which our committee of judges considers best, among those asked, for bringing out facts and clarifying this discussion, you'll win a \$25 U. S. Savings Bond, but you make yourself ineligible if your question is more than 25 words. We'll start with the gentleman I identify as a builder. Right over there.

Man: Mr. Wyatt, isn't it a fact that when the defense housing program was started early in

1942 or late '41, all other construction was proceeding, building of factories, building of war supplies for the war effort, and there was more housing built by private builders who took the bull by the horns and created enough housing in all the war areas so that war supplies could flow easily for the war effort, factories were built, and there was more housing built in that time than since your program started a year ago?

Mr. Denny: Yes, sir, we've got that question, but you've lost \$25. (Laughter.)

Mr. Wyatt: Well, a very brief answer is "No." I'm rather glad to say that's not so. In 1942, the volume of home-building construction was very much less than it is

in 1946. This year is very much higher. One thing I'd like to point out is to these restrictions all the way through. Even with the restrictions against nonresidential construction, 1,800,000,000 have been approved since the limitation order went into effect and 1,200,000,000 disapproved. So I think it's obvious that we're not completely killing off the nonresidential part.

Mr. Denny: Thank you, Mr. Wyatt. The gentleman in the balcony.

Man: I'd like to ask Mr. Grimm, will not commercial construction eat up the supply of materials needed for veterans' houses? (*Applause.*)

Mr. Grimm: This is a point on which Mr. Wyatt and I are going to disagree very pleasantly. We know that commercial construction uses very little housing material. I told him earlier today that I knew of a four to five-million dollar job within a very few blocks of this very street in which, by sworn affidavit made to the CPA on which the permit was granted, less than three per cent of that cost represented housing material. Ninety-seven per cent of all the material that went into that building was material that had been piled up, manufactured before this difficulty, and is now being usefully employed in the construction of a commercial building.

That NHA would forbid and does forbid hereafter.

It seems to me that it's a willful waste of investment on these materials and of storage space to keep them, if we're not going to put them to use such as this one man, fortunately, is putting them to use. In other words, it will not eat up enough material to make any real damage to the objectives that we both are seeking—namely, the creation of a great many homes for veterans and for the rest of our house-hungry population in this country.

Mr. Denny: Thank you, Mr. Grimm. Mr. Wyatt, are you going to disagree with Mr. Grimm on that?

Mr. Wyatt: Yes, he's right. We disagree on that. Three per cent of three million dollars is still rather a substantial figure. The sum total of the three per cents and the three million dollars across the country makes the difference between being able to have houses for veterans and not being able to have houses for veterans. But as a matter of fact, even with the restrictions in effect, so that we can see that these are not necessarily genuine tears we need shed for that section of the economy, 65 per cent of all the building completed in the first seven months of this year—that's the last period for which figures are available—was nonresidential, and the 30-year historic average is 69 per

cent. So that you can see it took the restrictions to make it possible for housing to go forward at all. (*Applause.*)

Mr. Denny: Thank you. The gentleman over there.

Man: If you channel all the materials into veterans' housing, how will a steel mill or any other plant carry on their normal business? Won't that disrupt their business?

Mr. Denny: Mr. Wyatt?

Mr. Wyatt: As a matter of fact, all materials are not being channeled merely into housing. Obviously, not all of steel. It's very important, however, that part of steel be channeled into those factories that are building materials out of steel that are needed in houses.

Mr. Denny: Thank you. The gentleman over here on the aisle.

Man: Mr. Grimm. Will not an accentuated home-building program absorb a great proportion of the unemployed you attribute to lack of commercial building and provide homes? (*Applause.*)

Mr. Grimm: I think there's no question about that whatsoever. That question's down my line and that gentleman at my right here, I think can be answered in similar fashion—that these very jobs are making homes for the veterans.

Mr. Denny: Thank you. The gentleman in the back of the hall.

Man: Mr. Wyatt, do you believe that the black market in construc-

tion could be eliminated if we gave long prison terms to those who are found engaged in it? (*Applause.*)

Mr. Wyatt: I don't think it's really so much the length of the term as it is, perhaps, the certainty of the punishment and the certainty that in his own community he will be frowned upon completely by the other people in the community if he engages in it.

Mr. Denny: Thank you. The gentleman right here. Yes?

Man: Mr. Grimm. You are a real estate broker. In fact, you make your living out of big business. Isn't that why you favor commercial building and would let the GI shift for himself? (*Applause.*)

Mr. Grimm: That's quite all right, George, it wouldn't be a Town Hall Meeting unless that subject came up, so let's have it. It's a question very easily answered. It was my good fortune this summer to go to the continent of Europe. I saw many countries and spent most of my time in Russia. Well, in Russia they don't think very much about big business and yet I found there that all the energies of government were going into replenishment of its industrial plant. Factories were being built, shops, warehouses, and the like.

I spent several days at Stalingrad. Although it's three and a half years since the Germans were

kicked out of Stalingrad, not one house yet has been built for a Russian citizen. The point is that in a country that doesn't think very much about big business, they yet recognize that what must come first, if the worker is to have a home, is to have a place to work. (Applause.)

Mr. Denny: ... If Mr. Grimm hadn't been a Town Hall trustee I wouldn't let him tackle that question because that's one of the types of question that we rule out here. Each person is invited to participate in Town Meeting because they happen to be an authority in that field and both Mr. Grimm and Mr. Wyatt are authorities in that field. I don't think we should go behind what they say to try to prejudice the audience one way or another, to discount their views by a question of that kind. (Applause.)

Man: This question is directed to Mr. Wyatt. The question is if there are not enough materials, should not the Government use its technological research knowledge in aiding the housing industry to develop new materials to speed up veterans' housing, also to subsidize these new products if necessary?

Mr. Wyatt: It should and it is.

Mr. Denny: While you're on your feet, Mr. Wyatt, Mr. Kaltenborn has another question for you.

Mr. Kaltenborn: I have a telegram that came to me from Norman P. Mason, and he says, "Dur-

ing July, Canada equalized their currency with ours. As a result Canadian lumbermen have stopped shipping into this market. Wyatt has been appealed to, but nothing has been done. Wyatt had the power to order OPA to correct this." (Applause.)

Mr. Wyatt: Well, there's nothing like a clear title to a hot seat. (Laughter.) In the first place, the Ottawa white pine, it might interest the sender of that telegram to know, has had a price ceiling increase by OPA in order to take care of the situation with regard to that particular item. That is one that is grown in Canada but not here. Other items imported in the form of lumber from Canada to the United States are also produced in very large quantity here and, therefore, a price increase to adjust a difference in rate of exchange there would put up the cost of houses substantially here.

That problem is being worked on, however, from two other angles. I would say that within the course of the week an answer will be had that will be satisfactory. We're talking with the exporters and importers and they're satisfied with the progress.

Mr. Denny: Thank you. The lady on the back seat.

Lady: I'd like to ask both of the gentlemen one question.

Mr. Denny: All right, ask Mr. Grimm first.

Lady: Is there any way that the steel and cut stone and marble that goes into apartment buildings can be put into the building of average homes?

Mr. Grimm: There's nothing that money can't cure and I think it can cure that one.

Mr. Denny: Mr. Wyatt, have you any additional comment to make on that?

Mr. Wyatt: No, sir, I think not.

Mr. Denny: Well, that's where they agree. I see a man in uniform here, a gentleman from the Navy. Is that a j.g. or an ensign or what's that?

Man: U. S. Naval Academy. Mr. Wyatt, will not the graduation of thousands of present quonset hut veterans require longer range restrictions than are now planned?

Mr. Wyatt: How long are these that are planned? Well, that, of course, entirely depends and there isn't any definite statement as to exactly how long they're going to last. The only conviction is that they—and this I would share with Mr. Grimm—should last only so long as absolutely essential and only to the extent that they're necessary. As quickly, in other words, as production can get up enough, and it is rising rapidly now, to that extent proportionately the restrictions can be first eased and relaxed and then done away with.

Mr. Denny: The lady in the middle of the hall.

Lady: Which is more profitable, the construction of seven to ten thousand dollar veteran housing or commercial and industrial buildings?

Mr. Denny: Mr. Grimm, that question is directed to you.

Mr. Grimm: I'm not sure I know whether you mean profitable to the builder or profitable to the person who occupies the house.

Mr. Denny: The builder, she says.

Mr. Grimm: There's much more money in building construction for commercial use. (*Laughter.*)

Man: Why are restraints necessary on builders who build homes under \$10,000 based on the Veterans' Administration appraisal?

Mr. Wyatt: When the priority is granted, plans and specifications are required and minimum standards of construction and space are required in order that the veteran who purchases the house when built, or the apartment when completed, or rents it, will have value for his dollar.

Mr. Denny: Just a minute, let's get the microphone toward you so we can hear you if you want to talk back.

Man: My statement is based on actual experience within the last few months. I am ready to build 700 homes in Connecticut, and the red tape of the Federal Housing Administration is such, and the restraints are such, that we can't go ahead. For seven months,

I've been waiting to be able to start building, and it's based on valuation by the Veterans' Administration.

Mr. Denny: I'm afraid Mr. Wyatt can't try your case here, but Mr. Wyatt, would you comment?

Mr. Wyatt: Yes, I'd like to say this, that the builders generally throughout the United States, I am sure, would agree that the FHA handles its work with the minimum of red tape and the maximum of speed. (*Confusion.*)

Mr. Denny: Thank you. Now the lady in the balcony.

Lady: Mr. Grimm. Which comes first—the chicken or the egg? How can you believe in a democracy that the job to maintain the home comes before the veteran has the home to maintain? (*Applause.*)

Mr. Grimm: Well, of course, the fact is I didn't say anything of the kind. I didn't say the job came first. They've got to go hand in hand. I know this, that if you build a great many homes and have no jobs, you won't have those homes occupied long. (*Applause.*)

Mr. Denny: Thank you. The gentleman in the balcony.

Man: I want to ask Mr. Wyatt, how does he expect to build so many houses without schools, or retail stores, or hospitals?

Mr. Wyatt: We don't. As a matter of fact, we don't say "No nonresidential construction." We say a limitation on nonresidential

construction down to that point where there is permitted only that which is necessary now, and that does include schools, and hospitals, and churches, and stores. That's the reason that 1,800,000,000 have been permitted to go forward since the limitation order was issued.

Man: I am a free lance architectural draftsman in veteran housing projects and commercial projects, presently dispossessed from his office by a veteran in Richwood, New Jersey. (*Laughter.*) Mr. Peter Grimm, don't you think that the government interference, not the commercial building projects, is the bottleneck in our present veteran housing project?

Mr. Grimm: This man is not my agent. I agree with him.

Mr. Denny: Thank you. The answer to that is "yes." Is that right, Mr. Grimm? Is that your answer?

Mr. Grimm: Yes, sir.

Man: Mr. Wyatt, why do you think there is practically no privately built permanent rental housing construction in this area in spite of priority preference for such building and in spite of restriction in commercial construction?

Mr. Wyatt: Generally speaking, throughout the country, the rental construction of the large apartment variety is just now getting under way. Two authorities were requested of Congress for this: one

was Title Six Financing, which I'll not go into but which is an attractive form of mortgage financing for builders. It became a law on May 22. Planning of apartment houses under that has been going forward since then and is now starting — just beginning throughout the country. The other legislative tool requested was the Wagner-Ellender-Taft bill which contained important provisions for rental housing, but which, after it passed the Senate almost without a dissenting vote, did not pass the House.

Mr. Denny: Thank you. Mr. Howe says, why not in this area?

Mr. Wyatt: I'm not sure that I'm a specialist in this individual area, except that I do know that some of it is being readied for launching in this area just as it is throughout the rest of the country. The planning started the end of May on that after the law was passed. Remember, that's a private enterprise question, too.

Mr. Denny: Mr. Grimm wants to comment on that.

Mr. Grimm: I'm glad that question came up because we've overlooked entirely the matter of how many of these buildings are being built for rental and how many for sale. I'm not at all satisfied that the GI wants to buy homes. He certainly doesn't want to buy them in any quantity that they are being produced. The War Department, in a recent survey, showed that

less than two per cent of the men interviewed wanted to buy a house. Yet, we're building houses which probably these poor fellows can't support, and we're just loading them with a burden and tying them to a debt. (*Applause.*)

Mr. Denny: Thank you, Mr. Grimm. While the announcer gives us the news about next week's meeting, Mr. Wyatt and Mr. Grimm will prepare their summaries for tonight's discussion.

Announcer: In one form or another, next week's topic is on the lips and in the hearts of millions of people all over the world — "Are We Heading for War With Russia?" Here again, no one is advocating the affirmative, but two outstanding experts and two highly qualified interrogators will examine the foreign policy of both nations in the light of world conditions and suggest ways in which another world conflict might be avoided.

Our principal speakers will be Mr. Max Eastman, noted authority on Russian affairs and roving editor of *The Reader's Digest*, and Professor Harold Laski, member of the National Executive Committee of the British Labor Party. Mr. Ely Culbertson, author and lecturer, and Mr. Quincy Howe will be our special interrogators.

The following week, September 26, our subject will be: "Should There Be Any Limits on the Right

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To Strike?" Now, here's Mr. Denny, again.

Mr. Denny: Mr. Wyatt, may we have your summary for the affirmative, please?

Mr. Wyatt: The contention is made by Mr. Grimm that these restrictions on commercial buildings have held down production of materials. Actually the Department of Commerce index of building materials shows that the production is up 70 per cent since the first of the year when the program was started.

Mr. Grimm contends that with the restrictions on nonresidential construction, we interfere with and destroy jobs. Actually, the facts show that we are at full employment for the first time in our economy.

Mr. Grimm says that we need commercial construction. We have commercial construction going forward—1,200,000,000 have been denied but 1,800,000,000 have been authorized.

Mr. Denny: Thank you, Mr. Wyatt. Now Mr. Grimm for the negative.

Mr. Grimm: It seems plain to me that the question is just this: There are too many red lights throughout the entire industry—too many restrictions. The Amer-

ican people when bound by prohibition of any kind are a most unsatisfactory lot to deal with. But left free and unbound, they are the most industrious and the most law-abiding citizens to be found anywhere in the world.

During the war, when we were free to produce, the industry of the American people astounded the world. I am satisfied beyond question that if all the red lights, the restrictions of various kinds you've heard about tonight were taken off, and a great big green light put there instead, building materials would come off the assembly line, and houses would spring up everywhere throughout the entire country. (*Applause.*)

Mr. Denny: Thank you, Mr. Grimm, Mr. Wilson, Mr. Kaltenborn, and Mr. Quincy Howe. Tonight's problem is certainly one of the most urgent domestic problems we face and we are grateful to you gentlemen for your contribution to our understanding of it.

Now our committee of judges advises me that the question which won the \$25 Savings Bond tonight is addressed to Mr. Grimm, "Will not commercial construction eat up the supply of materials needed for veterans housing? Congratulations, Mr. Carlisle Davidson. (*Applause.*)